

Introduced by Senator Torlakson

February 15, 2005

Senate Constitutional Amendment No. 7— A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 6 of Article XIX thereof, and by amending Section 1 of Article XIX A thereof, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 7, as introduced, Torlakson. Loans of transportation revenues and funds.

The California Constitution restricts the expenditure of certain motor vehicle fuel and vehicle-related revenues to specified transportation purposes, but authorizes these revenues to be loaned to the General Fund under certain conditions. The California Constitution further provides that the trust funds in the Public Transportation Account in the State Transportation Fund may be loaned to the General Fund under certain conditions.

This measure would require any loan of these motor vehicle fuel and vehicle-related revenues or trust funds that is not repaid within the same fiscal year in which the loan was made, or by a date not more than 30 days after the enactment date of the Budget Bill for the subsequent fiscal year, to be repaid with interest at a specified rate. The measure would provide that a loan of these funds may also be made to other state funds or accounts under the conditions applicable to loans to the General Fund.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2005–06 Regular
3 Session commencing on the sixth day of December 2004,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended as follows:

7 First—That Section 6 of Article XIX is amended to read:

8 SEC. 6. The tax revenues designated under this article may be
9 loaned to the General Fund *or any other state fund or account*
10 only if one of the following conditions is imposed:

11 (a) That any amount loaned is to be repaid in full to the fund
12 from which it was borrowed during the same fiscal year in which
13 the loan was made, except that repayment may be delayed until a
14 date not more than 30 days after the date of enactment of the
15 budget bill for the subsequent fiscal year.

16 (b) That any amount loaned is to be repaid in full, *with interest*
17 *at the rate paid on money in the Pooled Money Investment*
18 *Account, or any successor to that account, during the period of*
19 *time that the money is loaned,* to the fund from which it was
20 borrowed within three fiscal years from the date on which the
21 loan was made and one of the following has occurred:

22 (1) The Governor has proclaimed a state of emergency and
23 declares that the emergency will result in a significant negative
24 fiscal impact to the General Fund.

25 (2) The aggregate amount of General Fund revenues for the
26 current fiscal year, as projected by the Governor in a report to the
27 Legislature in May of the current fiscal year, is less than the
28 aggregate amount of General Fund revenues for the previous
29 fiscal year, adjusted for the change in the cost of living and the
30 change in population, as specified in the budget submitted by the
31 Governor pursuant to Section 12 of Article IV in the current
32 fiscal year.

33 (c) Nothing in this section prohibits the Legislature from
34 authorizing, by statute, loans to local transportation agencies,
35 cities, counties, or cities and counties, from funds that are subject
36 to this article, for the purposes authorized under this article. Any
37 loan authorized as described by this subdivision shall be repaid *in*
38 *full,* with interest at the rate paid on money in the Pooled Money
39 Investment Account, or any successor to that account, during the
40 period of time that the money is loaned, to the fund from which it

1 was borrowed, not later than four years after the date on which
2 the loan was made.

3 Second—That Section 1 of Article XIX A is amended to read:

4 SECTION 1. The funds in the Public Transportation Account
5 in the State Transportation Fund, or any successor to that
6 account, may be loaned to the General Fund *or any other state*
7 *fund or account* only if one of the following conditions is
8 imposed:

9 (a) That any amount loaned is to be repaid in full to the
10 account during the same fiscal year in which the loan was made,
11 except that repayment may be delayed until a date not more than
12 30 days after the date of enactment of the budget bill for the
13 subsequent fiscal year.

14 (b) That any amount loaned is to be repaid in full, *with interest*
15 *at the rate paid on money in the Pooled Money Investment*
16 *Account, or any successor to that account, during the period of*
17 *time that the money is loaned*, to the account within three fiscal
18 years from the date on which the loan was made and one of the
19 following has occurred:

20 (1) The Governor has proclaimed a state of emergency and
21 declares that the emergency will result in a significant negative
22 fiscal impact to the General Fund.

23 (2) The aggregate amount of General Fund revenues for the
24 current fiscal year, as projected by the Governor in a report to the
25 Legislature in May of the current fiscal year, is less than the
26 aggregate amount of General Fund revenues for the previous
27 fiscal year, as specified in the budget submitted by the Governor
28 pursuant to Section 12 of Article IV in the current fiscal year.